

STATE OF NEW HAMPSHIRE  
BEFORE THE  
PUBLIC UTILITIES COMMISSION

Docket No. DT 09-136

UNION TELEPHONE COMPANY  
TRANSFER TO  
TDS TELECOMMUNICATIONS CORPORATION

TESTIMONY OF DARREN WINSLOW  
ON BEHALF OF  
UNION TELEPHONE COMPANY

October 16, 2009

**Witness and Company Background**

1     **Q.     Please state your name and business address and by whom you are employed.**

2     **A.**     My name is Darren Winslow, my business address is 7 Central Street, Farmington, NH  
3             03835, and I am employed by Union Telephone Company d/b/a Union Communications  
4             (Union).

5  
6     **Q.     Please tell the Commission about your educational background.**

7     **A.**     I hold a Bachelor of Science Accounting degree from the University of Southern Maine  
8             where I graduated with Summa Cum Laude honors. In addition, I am licensed as a  
9             Certified Public Accountant in the State of Maine and have been licensed since October  
10            13, 1994.

11  
12    **Q.     Please tell the Commission about your work background prior to Union.**

13    **A.**     From 1992 though May 1997, I worked at Berry, Dunn, McNeil & Parker (BDMP),  
14             CPAs in Portland, Maine. During my employment at BDMP I was involved in a variety  
15             of financial statement audit, income tax and consulting engagements in several industries  
16             including telecommunications, utilities, and financial institutions. My primary focus was  
17             in the telecommunications and utility industry working for clients in Maine, New  
18             Hampshire and Vermont. I held the title of Senior Accountant, and my responsibilities  
19             included managing and supervising audit and consulting engagements. Consulting  
20             engagements included costs studies, rate of return reviews, regulatory reporting, etc.

1 From May 1997 to December 1997, I was employed at American Skiing Company (ASC)  
2 as the Director of Accounting – Vermont Operations. I supervised an accounting staff of  
3 approximately 15 employees and I also was responsible for ASC's external reporting for  
4 its consolidated operations and assisted in the production of ASC's initial public offering  
5 process.

6  
7 From December 1997 to June 2002, I was employed by MCT, Inc. d/b/a MCT Telecom  
8 (MCT) in Contoocook, NH, which at the time owned two independent local exchange  
9 companies (Merrimack County Telephone Company and Contoocook Valley Telephone  
10 Company) as well as a cable television company and internet service company. As the  
11 Accounting Manager and Controller, I was responsible for all aspects of MCT's  
12 accounting including financial statement preparation, cost studies, regulatory filings and  
13 other general company matters. I assisted MCT with the merger transaction involving  
14 TDS Telecommunications Corporation (TDS Telecom) that the Commission approved  
15 via its Order No. 23,961 and which closed in 2002.

16  
17 **Q. Please tell the Commission about your work background with Union and your**  
18 **responsibilities.**

19 **A.** In 2002, I joined Union Telephone Company as the Controller. I am responsible for all  
20 aspects of Union's accounting, including financial statement preparation, costs studies,  
21 regulatory filings, and other general company matters.

1     **Q.     Please describe Union's business in New Hampshire.**

2     **A.**     Union has operated as an independent local exchange carrier for over 100 years providing  
3             a variety of telecommunication services to its end user customers including local calling,  
4             intrastate toll, and customer calling features. Union also provides its access customers  
5             the ability to access Union's end users to provide toll, high capacity circuits and other  
6             wholesale related services.

7  
8             Union, in conjunction with its affiliates, also provides interstate toll, DSL broadband  
9             services and other telecommunication related services.

10  
11            Union operates in five New Hampshire exchanges: Alton, New Durham, Barnstead,  
12            Center Barnstead and Gilmanton Iron Works. Union has approximately 6,600 residential  
13            access lines and business access lines.

14  
15                            **Summary and Authority for Union's Proposal**

16    **Q.     Please describe the purpose of your testimony?**

17    **A.**     The purpose of my testimony is to provide additional information regarding Union and  
18             TDS Telecom's filing made on July 31, 2009 for the transfer of Union's stock to TDS  
19             Telecom. I will also provide Union's position and support of TDS Telecom' prefiled  
20             testimony pursuant to the New Hampshire Public Utilities Commission (PUC or  
21             Commission) Order No. 25,024 issued on October 8, 2009.

1   **Q.     Do you support the transfer of control of Union stock to TDS?**

2   **A.**     Yes, I believe the transfer of control is in the best interest of all parties involved with  
3           Union, most importantly its customers. Union's management decided it no longer  
4           wanted to operate the business and TDS Telecom is a strong buyer interested in  
5           continuing to provide quality services to customers in Union's territory.

6  
7   **Q.     Do you believe a transfer of control will adversely affect Union's customers?**

8   **A.**     No. TDS Telecom is a very experienced, financially secure and operationally strong  
9           organization that already operates well over 100 ILECs throughout the country including  
10          four New Hampshire (NH) incumbent local exchange carriers (ILECs). TDS Telecom  
11          has a proven track record of successfully operating and transitioning acquired companies  
12          such as Union including recent transactions in NH. TDS Telecom has operational  
13          systems currently in place that are supporting all of its ILEC operations. TDS Telecom is  
14          also committed to maintaining Union's existing NHPUC tariffs. Therefore, Union does  
15          not believe the transfer of control will have an adverse impact on the rates, terms, service  
16          or operation of Union. In fact, Union believes customers will actually benefit from the  
17          transfer of control based on TDS Telecom's vast experience and available operational  
18          and financial resources.

19  
20   **Q.     Have you experienced TDS's transition of an ILEC in NH?**

21   **A.**     I have experienced TDS Telecom's transition of a NH ILEC in both a professional and  
22           personal capacity. Prior to joining Union, I was employed by MCT, which TDS Telecom  
23           acquired in 2002. In addition, I was and still am a MCT customer now serviced under the

1 TDS Telecom corporate structure. During my professional and personal experience, I  
2 was not aware of any transition issues that adversely affected the rates, terms, service or  
3 operation of MCT.  
4

5 **Q. Has Union reviewed TDS Telecom's prefiled testimony related to Order No. 25,024**  
6 **issued on October 8, 2009? Do you believe TDS Telecom has provided a sufficient**  
7 **description of the transaction and its impact on customers, employees and**  
8 **operational systems? Is the information accurate?**

9 **A.** Yes, Union has reviewed TDS Telecom's prefiled testimony and believes the information  
10 is accurate to the best of our knowledge. TDS Telecom's testimony, along with the  
11 parties' initial filing on July 31, 2009, provides a thorough description of the transaction  
12 and transition process. As the plan describes, Union's customers should not experience  
13 any adverse impact due to the transfer of control. TDS Telecom's plan for employee  
14 transitions is similar to other mergers and it is to be expected that a complete plan for all  
15 employee transitions cannot be finalized at this time. Union understands TDS Telecom  
16 may make some employee changes over time. However, Union believes TDS Telecom  
17 will treat employees fairly during the transition. TDS Telecom also has an adequate plan  
18 to transition Union's operational systems to TDS Telecom's current operating systems.  
19 Union does not believe any operational conversion process will have a negative impact  
20 on customers. As discussed above, TDS Telecom has a vast amount of experience  
21 operating and transitioning companies like Union into its corporate culture and corporate  
22 structure. I believe that TDS Telecom's experience and its NH acquisition track record  
23 are worth more than any written plan or testimony.

1   **Q.     Does 369:8 II (b) apply to this transfer of control?**

2   **A.**     Although this is a legal question, yes I do feel the provisions of this statute apply as  
3           indicated by Attorneys Coolbroth and McDermott at the hearing on September 17, 2009.  
4           The transaction involves the parent company of a New Hampshire public utility  
5           transferring Union's stock to a holding company. Therefore the portion of the transaction  
6           related to Union is not a purchase of assets.

7  
8   **Q.     What, if any, effect should the Commission's determination of the proper statute to**  
9           **review this transaction have on the timing of the Commission granting approval?**

10  **A.**     The determination of what the proper statute to review this transaction should not have  
11           any substantive effect on the timing of the Commission approving this transaction. With  
12           the filing of the responses to the Commission's October 8<sup>th</sup> order, the notice of the  
13           transaction should be deemed complete which, if the statute is deemed applicable, would  
14           start a 60 day timeframe under 369:8 II (b). I believe and am hopeful that, regardless of  
15           which statute is cited by the Commission, the Commission's review of this statute should  
16           be expedited and approval should be granted well within 60 days from this filing. The  
17           Commission and the OCA were notified of the transaction on July 31, 2009 at which time  
18           the Commission, staff and the OCA had an opportunity to review material on this  
19           transaction. The Commission Staff and OCA subsequently requested more information  
20           which was provided on the day of the initial hearing. After the hearing, both staff and the  
21           OCA issued data requests that are being responded to as part of this filing. The  
22           Commission itself has issued questions that it considered necessary for its consideration  
23           of this transaction. Those questions have also been addressed so I believe that we are

1 already relatively far along in the review process. I acknowledge that some follow up  
2 questions may be necessary but my belief is that process can be accomplished in a fairly  
3 short timeframe. I urge the Commission to act quickly and to approve an expedited  
4 procedural schedule.

5  
6 **Q. Do you have anything else you would like to add to your testimony?**

7 **A.** TDS Telecom has demonstrated through prior acquisitions in this state (and many others)  
8 that such a transfer will not adversely affect Union's customers and we believe a timely  
9 transfer of control approval is in the best interests of Union's customers, employees, and  
10 all other parties affected by this transaction. In addition Union believes the transfer puts  
11 Union and all its customers in a better long-term position to adapt to the future  
12 competitive and regulatory environments.

13  
14 I would like to note that three Bureaus of the Federal Communications Commission have  
15 reviewed this transaction and found it to be in the public interest. Those Bureaus have  
16 already approved this transaction.

17  
18 **Q. Does this conclude your testimony?**

19 **A.** Yes it does.